

FY 2001 Budget Highlights

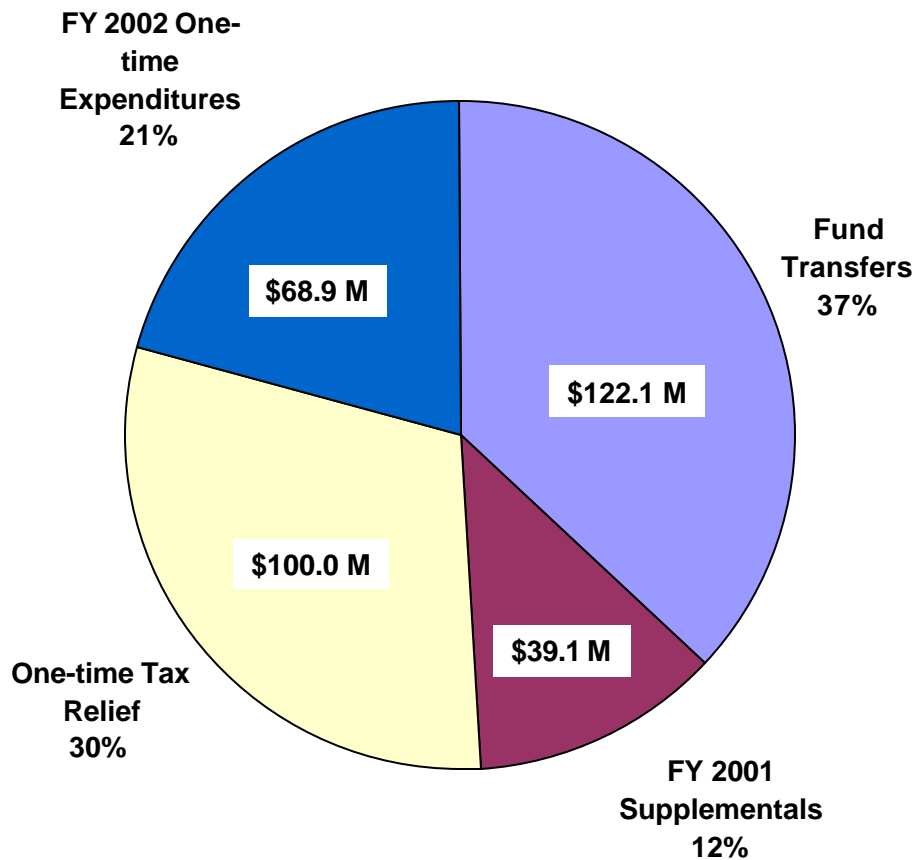
- The fiscal year began with a General Fund balance of \$182.4 million.
- The current FY 2001 General Fund revenue estimate is \$231.7 million higher than the January, 2000 estimate. This results in a \$330.1 million General Fund surplus.

FY 2001 beginning balance	\$182,424,200
FY 2001 revenue estimate	1,999,810,000
Transfers approved during the 2000 session	(45,209,600)
FY 2001 original appropriation and reappropriations	(1,806,937,900)
FY 2001 General Fund Surplus Available	\$330,086,700
- The majority of the \$330.1 million surplus was used to fund FY 2001 supplementals, capital budget projects, and one-time FY 2002 budget needs. \$64.0 million was left unspent in order to provide money for FY 2002 supplementals and to balance the FY 2003 General Fund budget. Specific items include:
 - \$65.0 million for capital budget projects.
 - \$32.0 million to renovate the Capitol Building.
 - \$29.4 million for supplementals.
 - \$20.0 million to the Budget Stabilization Fund.
 - \$11.2 million for transfers to other funds.
 - \$51.7 million for FY 2002 one-time items.
 - \$43.2 million for FY 2002 ongoing items.
 - \$13.5 million for one-time tax relief.
 - \$64.0 million unallocated.
- Although \$43.2 million of the FY 2001 General Fund surplus is allocated to FY 2002 ongoing expenditures, the \$64.0 million unallocated balance will be available to help develop a balanced FY 2003 General Fund budget.

FY 2002 Budget Highlights

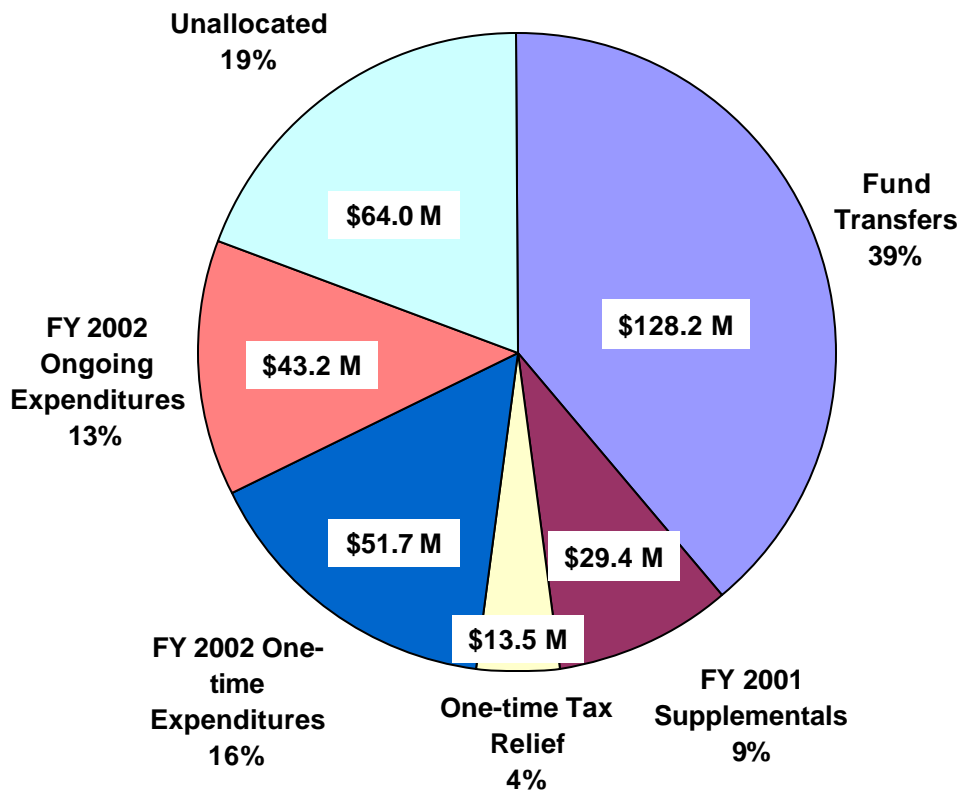
- The FY 2002 base General Fund revenue estimate is 2.1% higher than the current FY 2001 estimate. Since the FY 2001 estimate contains \$77.6 million in one-time revenue, the ongoing growth rate is actually 6.3%.
- The current FY 2001 estimate is significantly higher than the estimate used in setting the FY 2001 budget. Because of this, the FY 2002 budget has adequate General Fund revenue to address both budget needs and tax relief.
- It is anticipated that FY 2002 will begin with a General Fund balance of \$192.9 million and end the year with a \$64.0 million balance.
- The FY 2002 General Fund budget is 13.3% higher than the FY 2001 original appropriation and 11.3% more than FY 2001 estimated expenditures.
- There is \$114.0 million in tax relief, \$100.5 million of which is ongoing and \$13.5 million is one-time. The details are listed below:
 - \$58.4 million individual income tax rate reduction.
 - \$6.8 million corporate income tax rate reduction.
 - \$5.6 million grocery tax credit.
 - \$12.4 million personal property tax cut for Agricultural Equipment.
 - \$10.5 million R&D and broadband investment tax credits.
 - \$8.7 million one-time county incentive and expanded jobs investment credits.
 - \$4.5 million health insurance deduction.
 - \$4.3 million one-time increase in state capital gains exclusion.
 - \$2.8 million in 13 other miscellaneous pieces of legislation, \$500,000 of which is one-time.

Governor's Recommended Use of the \$330 Million General Fund Surplus



The largest fund transfers are: \$69.5 million to the Permanent Building Fund; \$32.0 million to the Capitol Endowment Fund; \$9.5 million to the Fire Suppression Fund; and \$9.1 million to the Budget Stabilization Fund.

Legislature's Allocation of the \$330 Million General Fund Surplus



The largest fund transfers are: \$65.0 million to the Permanent Building Fund; \$32.0 million to the Capitol Endowment Fund; \$20.0 million to the Budget Stabilization Fund; and \$9.5 million to the Fire Suppression Fund.